Several measures / initiatives have been taken by the Government to insulate the domestic industry from the impact of global recession and stimulate domestic demand.

The measures to stimulate domestic demand *inter-alia* include significant reduction in *ad valorem* CENVAT duty, incentives to the housing sector with a view to give a boost to affordable housing, and sector specific initiatives. For automobile sector an accelerated depreciation of 50% on commercial vehicles was announced and assistance to the States under the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) provided for purchase of buses for urban transport system.

Further, a set of measures were announced for enhancing the flow of funds to the MSME sector.

The various measures to support exports include interest subvention of 2% for pre & post shipment export credit for identified labour intensive industries, additional allocation for export intensive schemes, additional funds towards providing guarantee by the Export Credit Guarantee Corporations (ECGC) and enhancements of duty draw back benefits on certain identified exportable items.

In addition, RBI has taken a number of steps to reduce the cost of credit and improve liquidity for the industry such as reduction of the Repo rates, reverse Repo rates, Cash reserve ratio etc.

The lowering of cost of credit, reduction in CENVAT, sector specific initiatives, have helped to stimulate domestic demand and generate higher employment. As a consequence of various measures taken by the Government there are early signs of recovery of the industrial sector. The index of industrial production which registered a negative growth rate of (-) 0.7% and (-) 0.8% in February and March 2009 respectively has improved to growth of 1.4% in April, 2009.

Growing market for organic cardamom

425. SHRI SANTOSH BAGRODIA:
SHRI MAHMOOD A. MADANI:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that there is growing global and domestic market for organic cardamom;

(b) if so, the steps being taken to promote production and cultivation of cardamom;

(c) whether it is also a fact that Indian cultivators have suffered due to in transit smuggling of organic cardamom imported from Guatemala for Nepal; and

(d) if so, the steps taken by Government to prevent smuggling to safeguard the interest of domestic growers?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA M. SCINDIA): (a) The demand for organic cardamom is growing in the world market.

(b) For production and productivity improvement of cardamom (small & large), Spices Board is implementing an exclusive scheme *viz*. Special Purpose Fund for Replantation & Rejuvenation of

Cardamom Plantations to help the small and marginal farmers to replace the low yielding variety with the high yielding variety. Another scheme *viz.* Export Oriented Production & Post Harvest Improvement of Spices, is also in operation which facilitate improvement of production, productivity and quality of cardamom.

Towards promoting organic production of spices, under the scheme for Export Oriented Production, there are programmes for supporting production of organic input *viz,* vermicompost, assistance for setting up bio-agent production units and assistance for organic certification. Under the scheme, organic production of cardamom (large) in North-Eastern States is also promoted by Spices Board.

(c) and (d) There are no reports of transit smuggling of organic cardamom imported from Guatemala for Nepal. Spices Board is monitoring the imports of cardamom from various ports and sending the domestic prices of cardamom to all the major customs on a weekly basis. For the last few years, the Indian cardamom growers are getting better prices.

Impact of global meltdown on FDI

426. SHRI SANTOSH BAGRODIA:
SHRI KALRAJ MISHRA:
Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government is aware that due to economic meltdown in the world, a huge amount of Foreign Direct Investment or a direct investment has been withdrawn;

(b) the details of amount withdrawn, month-wise, during the last one year; and

(c) the steps being taken by Government so that more FDIs can be attracted and in what sectors?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA M. SCINDIA): (a) and (b) Foreign Direct Investment (FDI) equity inflows in the country have increased from US$ 5.5 billion in 2005-06 to US$ 27.31 billion in the year 2008-09. The FDI inflows in 2007-08 were US $ 24.58 billion and increased to US $ 27.31 billion in 2008-09, despite the economic slowdown, showing a percentage growth of 11% over the previous financial year. A Statement on month-wise FDI equity inflows during the financial year 2008-09 is given in the Statement. (*See* below).

(c) Government has put in place a liberal and investor-friendly policy on FDI under which FDI up to 100% is permitted on the automatic route in most sectors/ activities, including infrastructure and Research and Development (R&D). The UNCTAD World Investment Reports (WIR) 2007 & 2008, in their analysis of the global trends and sustained growth of Foreign Direct Investment.(FDI) inflows, have reported India as the second most attractive location for FDI for 2007- 2009. India has retained the second place in A. T. Kearney's 2007 Foreign Direct Investment Confidence Index, a position it has held since 2005. Government has also announced a slew of measures to accelerate the demand in the economy which would enable India to continue as an attractive investment destination. Under the liberalized economic environment, investment decisions of investors are